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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL	
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8- 67043

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BATS Trading, Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

4151 N. Mulberry Drive, Suite 275

(No. and Street)

Kansas City

(City)

MO

(State)

64116

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Jessie Kingsbury816-285-9900

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

SEC Mail Processing
Section

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

FEB 29 2008

Mayer Hoffman McCann P.C.

(Name - if individual, state last, first, middle name)

Washington, DC

11440 Tomahawk Creek Parkway

(Address)

Leawood

(City)

KS111
66211

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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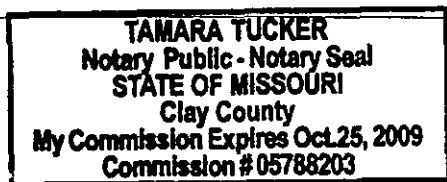
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FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Jessica Kingstony, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BATS Trading, Inc., as of December 31, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



J Kingstony
Signature
Controller
Title

Tamara Tucker
Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



Mayer Hoffman McCann P.C.

An Independent CPA Firm

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Leawood, Kansas 66211

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INDEPENDENT AUDITORS' REPORT

The Board of Directors

BATS TRADING, INC.

We have audited the accompanying consolidated balance sheet of BATS Trading, Inc. and affiliate as of December 31, 2007 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the management of BATS Trading, Inc. and affiliate. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BATS Trading, Inc. and affiliate as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The additional information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements, but is additional information required by Rule 17-a-5 under the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Leawood, Kansas
February 27, 2008

Mayer Hoffman McCann P.C.

BATS TRADING, INC. AND AFFILIATE**Consolidated Balance Sheet**

December 31, 2007

ASSETS**CURRENT ASSETS**

Cash	\$	26,638,220
Accounts receivable, net of allowance of \$27,421		19,540,862
Other receivables		7,360,721
Short-term investments, at fair value		94,706,740
Prepaid and other current assets		257,989
TOTAL CURRENT ASSETS		<u>148,504,532</u>

PROPERTY AND EQUIPMENT, AT COST

Computer equipment	3,870,093
Furniture and fixtures	225,601
Leasehold improvements	359,617
Property transactions in process	369,622
Purchased and internally developed software	410,445
	<u>5,235,378</u>
Less accumulated depreciation	<u>(1,548,717)</u>
NET PROPERTY AND EQUIPMENT	<u>3,686,661</u>

OTHER ASSETS	39,451
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TOTAL ASSETS	<u><u>\$ 152,230,644</u></u>
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LIABILITIES**CURRENT LIABILITIES**

Accounts payable	\$	12,048,058
Accrued expenses and other liabilities		4,463,983
TOTAL CURRENT LIABILITIES		<u>16,512,041</u>

STOCKHOLDERS' EQUITY**CAPITAL CONTRIBUTED**

Common stock - authorized 20 million shares of \$.01 par value; 17,739,333 shares issued and outstanding	177,393
Additional paid-in capital	162,134,169
TOTAL CAPITAL CONTRIBUTED	<u>162,311,562</u>

ACCUMULATED DEFICIT**OTHER COMPREHENSIVE INCOME**

	(26,610,829)
	17,870
TOTAL STOCKHOLDERS' EQUITY	<u>135,718,603</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 152,230,644</u></u>
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See Notes to Financial Statements

END